

**Veterans Services Foundation
Board of Trustees
Meeting Minutes
September 7, 2005**

A meeting of the Veterans Services Foundation was held on September 7, 2005, at the Department of Game and Inland Fisheries building in Richmond.

Members Present:

John Anderson, Suprya Christopher, Lydia Dudley, Margaret Eure, John Hanson, Frederic Leigh, Frank Louthan, Jr., Jon Mangis, and Raymond Smoot.

Member Absent:

Leroy Gross

Others Present:

Bert Boyd, Deputy Commissioner, Department of Veterans Services;
Steven Combs, Assistant to the Commissioner, Department of Veterans Services;
Roz Trent, Program Administrative Specialist III, Department of Veterans Services;
Don Ferguson, Assistant Attorney General, Office of the Attorney General

Materials Distributed:

Meeting Agenda; Draft Minutes of the March 9, 2005 Meeting; Copy of August 19, 2005 letter from John A. Anderson, Chairman of the Board of Veterans Services, to Jon Mangis, Commissioner, Department of Veterans Services (DVS) RE: Legislative and Budget Proposals – 2006 Session; Copy of August 22, 2005 letter from Jon Mangis to John Hanson, Chair, Board of Trustees of the Veteran Services Foundation (VSF) RE: Funding for the Walking Trail at VAMC McGuire; DVS Strategic Plan and Service Area Plan for the Benefit Services section; Data Sheet denoting the fund balance of the Veterans Services Fund

Opening and Pledge of Allegiance

The Chairman called the meeting of the Veterans Services Foundation (VSF) Board of Trustees to order at 11:10 a.m. on Wednesday, September 7, 2005, in the Executive Conference Room at the Department of Game and Inland Fisheries building, located at 4010 West Broad Street in Richmond. The members recited the pledge of allegiance to the American flag.

Roll Call of Members and Quorum Determination

The roll was called and a quorum of eight of ten members was recorded as present. It was noted that Dr. Anderson was enroute, and he arrived at approximately 11:30 a.m.

Review and Approval of March 9, 2005 Meeting Minutes

The minutes of the March 9th meeting were reviewed. Chairman Hanson asked for a motion that the minutes be approved as written. Frank Louthan expressed concern regarding language on Page 3, paragraph 3 which read:

-“Mr. Louthan suggested that there be an “escape clause,” whereby specific purpose donations that are not disbursed immediately, would be returned to the donor or allocated for another purposes specified by the donor and after a specified period time.”

Mr. Louthan clarified the intent of the statement. He explained that he felt *“the Board should have discretion to spend the money for good purposes when the original purpose for which the donation was given is no longer valid.”*

He maintained that some donors might have objections to this when donations are given for a specific purpose, and that they could not be forced to agree with these terms. However, donors should be asked and there should be an agreement with the terms when donations are given. In this manner, the donor makes the final decision regarding his/her contributions.

Ray Smoot stated that language could possibly be added to the “draft procedures in handling donations,” such as “... purpose for a specific donation or close thereto as possible.” He emphasized that the Foundation would always try to honor the specific direction of the donation.

Further discussion ensued. Guidance was sought from counsel, Don Ferguson, as to whether there was anything in state policy that would prohibit the Foundation from stating in its guidelines the following:

“either for similar purpose or for a period of ten years, after which, donations would be disbursed at the Foundation’s discretion.”

Mr. Ferguson stated that the easiest way to have this accomplished would be to have an “out clause” in the guidelines stating that “designations may be for a specific purpose or as nearly as appropriate in the discretion of the Board/Foundation.” However, a problem might occur when a donor identifies a specific project they want to contribute to. Mr. Ferguson was unaware of any statute that governs this, and that permission from the court would have to be obtained if the Foundation could not accomplish what the donor intended. He stated that if a timeline, such as ten years is specified, then the Foundation would have to wait for the 10-year period to end before disbursements could be made to the specific donation. He suggested that the words “within the discretion of the Board” would be sufficient to accomplish the intent.

Margaret Eure made a motion to approve the minutes as originally recorded. Frank Louthan objected to this motion.

Don Ferguson suggested that the minutes be amended to read:

“Mr. Louthan suggested that there be an escape clause for donations.”

Magaret Eure made a motion that for clarification, the minutes be approved as submitted with the following amendment on Page 3, paragraph 2:

“Mr. Louthan suggested that there be an escape clause for donations.”

Supriya Christopher seconded the motion. The motion was then approved unanimously.

While awaiting Dr. Anderson's arrival, Chairman Hanson deviated from the agenda and proceeded with the Commissioner's Update.

Commissioner Mangis reported as follows:

- Introduced Roz Trent, who joined the Department in June 2005. He noted that Roz would be working with the Foundation assisting in fund raising activities, etc. Commissioner Mangis thanked Ray Smoot for agreeing to provide training in this area. Rhonda Earman, who normally recorded minutes, had been out of the office due to medical reasons, and Roz was filling-in in her absence.
- The Agency Strategic Plan, which was included in the agenda packets, was discussed. Commissioner Mangis stated that this was the first attempt by the Commonwealth of Virginia in developing a uniform strategic plan guideline for state agencies. He focused attention to an August 19, 2005 letter received from Dr. John Anderson, Chairman of the Board of Veterans Services, commending the department plan. The strategic plan, comprised of input from agency service area plans, would be updated at a later date. He recognized Steven Combs for the work done in developing the plan. He noted that the DVS Strategic Plan was used by the Department of Planning and Budget as a "model" in a presentation given to the General Assembly's Senate Finance Committee.
- State agency budgets were submitted on September 15th. Once the budget instructions were posted, agency budgets were no longer allowed to be discussed outside of the Governor's Office and the Department of Planning and Budget, and are considered "Confidential Governor's Working Papers." Commissioner Mangis stated that the Foundation was not specifically mentioned in the budget submission, but was included with the agency as a whole.
- The Department has conducted three veterans supermarkets in the South Boston, Norton and Wytheville areas of the state. There were 34 state, federal, and local organizations who participated in the Wytheville Supermarket, including the U.S. Department of Veterans Affairs (USDVA), TRICARE, as well as representatives from the benefits and cemeteries sections of the Department of Veterans Services. Commissioner Mangis reported that while only 30 veterans attended the South Boston Supermarket; 100 veterans attended the Norton Supermarket; and the Wytheville Supermarket had over 200 veterans in attendance. He stated that the Department has been very pleased with the reception received locally, and that the Supermarkets have received good media coverage. The next Supermarket will be held on October 20th in Warsaw at the Rappahannock Community College.
- The Virginia Veterans Cemetery (in Amelia) conducted 188 burials last fiscal year. In comparison, the Horton Cemetery (in Suffolk) conducted 255 burials in just the last 6.5 months of FY05. The high burial rate at the Horton Cemetery is expected to continue based on the large retiree population in the Tidewater area. Because it is built on rock,

the Virginia Veterans Cemetery experiences poor irrigation and traditionally has a low water table. The Department is seeking solutions to improve the irrigation problem. Commissioner Mangis encouraged Foundation members to visit both cemeteries.

- There are a group of individuals in southwest Virginia that have been exploring a potential site for a Southwest Virginia Veterans Cemetery, possibly in the Pulaski/Dublin area near the Radford Army Ammunition Plant (RAAP). Initially, the RAAP was prepared to donate land, but did not do so because the land was in a buffer zone. Further discussions have put the proposed donations back on track, and presently, there are 91 acres of land the RAAP is willing to donate. Prior to proceeding with the donation, a meeting has been scheduled for September 21st with all involved parties (USDVA, Radford representative, JLC representative in southwest Virginia and Department of Veterans Services staff) to discuss whether property is suitable. Commissioner Mangis stated that this is an area wherein the Foundation may have an interest, as there may be a need from the Foundation at a later date.
- There are two construction projects underway: a remodeling project at the Virginia Veterans Care Center in Roanoke and the construction of the Sitter-Barfoot Veterans Care Center (SBVCC) in Richmond. Commissioner Mangis had previously contacted Foundation members via e-mail to request approval to use up to \$50,000 from the Veterans Services Fund to meet the unforeseen expenses associated with the SBVCC. He elaborated on the request as follows:

An agreement had been made a number of years ago between officials of the McGuire VA Medical Center (VAMC) and the Care Center Board of Trustees stating that if the McGuire VAMC would transfer up to 20 acres of land on their reservation for construction of a veterans care center, the Commonwealth would build a new veterans care center on their property and would, in turn, replace the existing walking trail (which was on the proposed construction site) with a walking trail on another site on the VAMC grounds.

The initial grant for the construction of the SBVCC had been applied for in 1998. The USDVA deeded the property on July 4, 2005 and final approval was received. In order for construction of care center to begin, the Director of the McGuire VAMC requested that the walking trail to be replaced. However, there were no funds in the construction budget to do so. Commissioner Mangis contacted the VA National Guard (VANG) and the Governor's Office for assistance, and the VANG has agreed to construct the replacement trail. Work will begin on October 1, the beginning of the new Federal Fiscal Year. The VANG will cut the trail approximate $\frac{3}{4}$ of a mile and place gravel, but have no capability to provide the asphalt. The VANG also needs funds to pay for the gravel and for the diesel fuel that will be consumed on the project. Commissioner Mangis is working with VDOT, through the Governors Office, to provide the asphalt and gravel. VDOT is now working with the National Guard.

Commissioner Mangis noted that there are 32 exercise stations along the current trail, but that the McGuire VAMC has agreed to reduce the number of exercise stations from 32 to 8 on the new trail.

Commissioner Mangis requested that the Foundation approve the expenditure of up to \$50,000, if needed, to pay for fuel, gravel, and construction of the replacement exercise stations.

Frank Louthan clarified that there was a possibility that the \$50,000 would not be entirely spent; however, there was also the possibility that if the \$50,000 is spent, it will never be replenished. Commissioner Mangis verified this statement.

Chairman Hanson asked for clarification regarding the transfer of property agreement with the USDVA. Commissioner Mangis explained that the old care center was operated by a private contractor under the supervision of a Board of Trustees. At that time, the Board decided to pursue the construction of a second care center. A study was completed and results indicated that care centers were needed in the Northern Virginia, Richmond and the Tidewater/Hampton Roads area. The request concerning the walking trail was borne through discussions between the Trustees and McGuire VAMC officials.

Commissioner Mangis personally visited the trail, and noted that it is indeed used by patients, hospital staff, and persons living in the surrounding neighborhood. He had originally thought that the replacement of the walking trail would take place after construction; however, the Director of the McGuire VAMC would not allow construction to begin until the trail was replaced. Due to rising construction costs, contractors are anxious to begin.

The timeframe for replacement of the walking trail is as follows:

- National Guard to begin on walking trail – October 1
- VDOT will coordinate with National Guard to move gravel and asphalt as soon as National Guard finishes
- Walking trail to be completed by end of October

An updated balance sheet of Foundation expenses of unrestricted funds was distributed. Commissioner Mangis stated that unrestricted fund balance as of September 7th is \$258,538.52.

Chairman Hanson made a motion that the Foundation approve the use of up to \$50,000 to pay for fuel, gravel, and construction of the replacement exercise stations. The motion was seconded by Ray Smoot and carried unanimously by the Foundation.

Frank Louthan asked if checks would be used to pay vendors or reimburse the National Guard. Commissioner Mangis confirmed. Mr. Louthan requested that Commissioner Mangis report to the Foundation giving an accurate account of detailed expenditures at the next Foundation meeting. He concurred that this was an appropriate use of funds.

Jon Mangis reiterated that the project is expected to be completed by the end of October or early November.

He further referred members to Steven Combs for any questions regarding the accounting procedures regarding unrestricted fund balance sheet expenditures. It was clarified that the unrestricted funds were the only funds that the Foundation has authority to make decisions as to where monies are spent; restricted funds are restricted by the donor designations.

Chairman Hanson welcomed Dr. Anderson and proceeded with the Report of the Chairman of the Board of Veterans Services.

Dr. Anderson reported as follows:

- The Board of Veterans Services has lost two members during the year, Mel Drisko and George Duggins. The Governor has appointed Bill Leighty, Chief of Staff to Governor Warner, as Mr. Drisko's replacement, but has not yet appointed a replacement for Mr. Duggins.
- The Board of Veteran Services has been working on strategic planning, and has formed an ad hoc Strategic Planning Sub-Committee. Dr. Anderson stated that this Committee is very significant in regards to the direction the Commonwealth has taken in moving forward with a strategic planning model in which budgets will be related to strategic planning. He commended Steven Combs for operationalizing the strategic planning activity. It is anticipated that more will be heard about strategic planning related to budget requests before the next budget cycle.

Chairman Hanson also commended the strategic planning effort of the Department. He thanked Steven Combs for the work that had been done. Mr. Combs commented that the service area plan that had been included in the agenda packets was only one of five service area plans for the Department. Other service area plans would be provided, if requested. He stated that in reviewing the service area plans, Foundation members could get an idea of funding. It is hopeful that funding would increase with budget requests.

New Business

Chairman Hanson requested Steven Combs to review the terms and duties of the Chair and Vice Chair. Mr. Combs stated that the Chair has the following duties:

- Presides over the meetings
- Serves as an ex-officio member of the Board of Veterans Services. In addition, the Chairman of the Board of Veterans Services serves as an ex-officio member of the Foundation. This provides an inter-relationship between the two groups.
- Oversees the expenditure of monies from the restricted fund. The Commissioner of Veterans Services is granted authority to spend money from the restricted fund after consultation with the Chairman, in accordance with the Foundation By-Laws

Mr. Combs further stated the Vice President has the following duties:

- Preside over meetings in the absence of the Chair.
- Perform other duties as needed, in the absence of the Chair. For example, Chairman Hanson was asked recently to testify before the General Assembly's Joint Sub-Committee to Study the Balance of Power between the Executive and Legislative Branches on the Consideration of a Two-Term Governor. This committee sought to review how things should be restructured if Virginia were to move to appoint a two-term governor. The committee was continued and one of its focuses is gubernatorial appointed boards, foundations, councils, etc. and whether the legislature should have some control over appointment authority that the governor presently has. The Foundation was one of boards selected, and the Chair had been asked to testify. In his absence, the Vice Chair was requested to testify.

Frank Louthan asked whether the Foundation goes before the General Assembly for funds other than for a specific purpose. Bert Boyd stated that if there were legislative changes in the Code affecting the Foundation, then the Foundation would go before the General Assembly. Don Ferguson stated that it could be assumed that the General Assembly intended that most of the funds under control of the Foundation would be donated funds from the general public and not appropriated funds. Chairman Hanson stated that there was no vehicle for any projects that the Department of Veterans Services had to accept public funds. The Foundation was the repository for these funds. He stated that he could see no reason why the Foundation would go before the General Assembly for funds.

Nomination of Candidates for Chairman and Vice Chairman

Nominations were entertained for the offices of Chair and Vice Chair. Steven Combs explained that normally nominations would be taken at the second quarter meeting, and elections would be made at the third quarter meeting. The terms of office would be for one-year from that point forward. However, since the second quarter meeting was cancelled, nominations and elections could be performed at the third quarter meeting. Since all but one member was present, it was decided to proceed with nominations and elections.

After discussion, Margaret Eure commented that it was too early to make a change of officers at this time. She then nominated John Hanson as Chair. There being no other nominations, the nominations for Chairman were closed. The Foundation voted unanimously to re-elect John Hanson as Chair.

Ray Smoot nominated Lydia Dudley as Vice Chair. There being no other nominations, the nominations for Vice Chair were closed. The Foundation voted unanimously to re-elect Lydia Dudley as Vice Chair

Public Comment Period

None

Determination of Date and Location of Next Meeting

The next meeting of the Veterans Services Foundation Board of Trustees will be held on Wednesday, November 16, 2005 from 11:00 a.m. to 1:00 p.m. Steven Combs will contact the American Legion to see if the Department of Virginia can host the meeting.

Adjournment

There being no further business, the meeting adjourned at 12:20 p.m.